

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
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)	
AT&T Petition to Launch a Proceeding)	GN Docket No. 12-353
Concerning the TDM-to-IP Transition)	
)	
)	
Petition of the National Telecommunications)	
Cooperative Association for a Rulemaking to)	
Promote and Sustain the Ongoing TDM-to-IP)	
Evolution)	
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Reply Comments of GVNW Consulting, Inc.

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Executive Summary

NTCA's request for the Commission to develop a specific process for a "thoughtful and targeted examination of current regulations" in light of the statutory cornerstones of protecting consumers, promoting competition and ensuring universal service" serves as a mission statement for this endeavor.

A number of parties expressed concern about the timing and sequence of the AT&T proposal, and the need for careful and thoughtful deliberation. In essence, AT&T has come full circle from the early days of access charges and the "rough justice" of ENFIA to a proposal that offers the potential for "rough injustice" in the transition to the IP paradigm.

Why the concerns in these reply comments for rural territory? One needs to look no further than the Commission's open Rural Call Completion docket (WC Docket No. 13-39, FCC 13-18) to find Exhibit A for why there is a need to be careful in removing regulations. Even with a plethora of regulations at the Commission's disposal, the barely perceptible progress to address market failures in rural areas foretells of significant future issues as we continue to move inexorably toward an IP paradigm. Absent necessary enforcement tools, the call completion problems in current rural areas may be dwarfed by the market abuses that will occur in the IP arena.

INTRODUCTION AND BACKGROUND

GVNW Consulting, Inc. (GVNW) submits reply comments filed pursuant to the Commission's Public Notice (*Pleading Cycle Established on AT&T and NTCA Petitions*), DA 12-1999, released on December 14, 2012. Two filings prompted the instant Public Notice. The first was the "Petition to Launch a Proceeding Concerning the TDM-to-IP Transition" filed by AT&T, Inc. (AT&T) on November 12, 2012. The second filing was the "Petition of the National Telecommunications Cooperative Association for a Rulemaking to Promote and Sustain the Ongoing TDM-to-IP Evolution" filed on November 19, 2012.

GVNW is a management consulting firm that provides a wide variety of consulting services, including regulatory and advocacy support on issues such as universal service, intercarrier compensation reform, and strategic planning for communications carriers in rural America. We are pleased to have the opportunity to offer reply comments addressing the transition issues the Commission has raised in the *Public Notice*.

PUBLIC POLICY GOALS SHOULD BE WELL DEFINED

As the Commission begins this important transitional proceeding, we respectfully request that the needs of all customers, and not just AT&T's urban customers, be considered. NTCA's request for the Commission to develop a specific process for a "thoughtful and targeted examination of current regulations" in light of the statutory cornerstones of protecting consumers, promoting competition and ensuring universal service" serves as a mission statement for this endeavor. TIA notes the need for the transition to occur in "an organized and orderly fashion".

A number of parties expressed concern about the timing and sequence of the AT&T proposal, and the need for careful and thoughtful¹ deliberation. In essence, AT&T has come full circle from the early days of access charges and the "rough justice" of ENFIA to a proposal that offers the potential for "rough injustice" during the transition to an IP paradigm.

The approach offered in the NTCA petition addresses most of the shortcomings of the AT&T position and was supported on the record by many of the commenters in this docket. NTCA seeks what could be referred to as a "smart review" of specific requirements for regulatory relief by looking at the regulations on a point by point basis. The NTCA approach offers two separate but interconnected aspects: a regulatory review and a separate review of the technical challenges that will arise throughout this transition.

¹ NASUCA asserts in its comments that AT&T's petition is but a transparent attempt to get out of all regulation. NASUCA also points out the flaw in AT&T's assertions concerning duplicate networks because both TDM and IP networks rely on copper in some of the last mile facilities currently in place. The impact of the Commission's quantile regression formula will retard the evolution away from copper.

**PLANNING AND METRIC SETTING PRIOR TO PROPOSED TRIALS
WILL PREVENT UNNECESSARY ERRORS FROM OCCURRING**

As a part of its Petition, AT&T has proposed trials² to address operational, technical, and policy issues. While trial experiments may well have some merit, without careful and thoughtful analysis the trial will mutate into a trial and ERROR sequence that could disproportionately impact rural customers.

Reviewing the comments filed, several parties express concerns about whether the scope of these proposed trials has been adequately defined. AT&T appears to seek a blanket abolition of regulations, some of which may prove necessary to promote and protect public³ safety.

The discussion in the AT&T Petition does not clearly indicate how the Commission will be able to preempt all of the state regulations⁴ that might “stand in the way” of implementing the desired trial experiment. The State Members of the Federal-State Joint Board on USF assert that the Commission lacks the legal authority to preempt the states based on the underlying foundation of precedents that support certain states rights and obligations. The state members raise concerns that the state utility commissions are the entities that oversee the quality of services offered, the reliability of interconnected networks, and are the overseers of access to 911/E911 emergency response.

² Some strongly object to AT&T’s proposal. Sprint opines that it is inefficient to use limited resources to conduct an experiment in a de minimis portion of a single carrier’s network.

³ Some believe that the AT&T petition creates a scenario for non-carriers to obtain telephone numbers. It seems obvious that some basic public safety issues would be a prerequisite part of a sound public policy review of such an outcome and cannot be adequately addressed within the scope of a trial.

⁴ The Verizon suggestion that all IP-enabled services should be declared as interstate seems to exceed the appropriate scope of a trial and would require a thorough review.

**THE TRANSITION MUST INCLUDE BOTH AT&T's URBAN AREAS
AS WELL AS RURAL AREAS OF THE COUNTRY**

We encourage the Commission to consider the needs of all customers, including customers in rural territory, as a transition plan is developed. This concept was supported by the joint comments filed by the National Exchange Carrier Association (NECA) and the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO). In their joint filing, NECA and OPASTCO stated their strong support for Commission action that would enable rate-of-return rural carriers to continue their deployment of IP-enabled networks and services that benefit rural consumers in their service territory.

In analyzing the two options in the competing proposals, NARUC supported the NTCA approach as the most logical choice in that it recommends examining which federal rules have or have not worked in terms of protecting consumers, promoting competition, and **ensuring universal service**. (emphasis added)

The AARP offered that the NTCA proposal is a more focused approach to reviewing existing regulations and suggested that the NTCA approach is more likely to result in an outcome that is consistent with the public interest.

The Western Telecommunications Alliance (WTA) offers several relevant points in its filing. WTA recommends that any trial runs should include a broad and representative sample of carrier sizes and service areas. It also asserts that the IP implementation experience of several of its members should be included in any consideration of effective trial runs.

In summary, universal service must evolve into the IP network paradigm, contrary to comments filed by CTIA.

CONCLUSION

Why the concerns in the prior section of these reply comments for rural territory? One needs to look no further than the Commission's open Rural Call Completion docket (WC Docket No. 13-39, FCC 13-18) to find Exhibit A for why there is a need to be careful in removing regulations. Even with a plethora of regulations at the Commission's disposal, the barely perceptible progress to address market failures in rural areas foretells of significant future issues as we continue to move inexorably toward an IP paradigm. Absent necessary enforcement tools, the call completion problems in current rural areas may be dwarfed by the market abuses that will occur in the IP arena.

Respectfully submitted,

Via ECFS at 2/22/13

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